

FILED  
OCT 6 2000  
AT GREENBELT  
CLERK U.S. DISTRICT COURT  
DISTRICT OF MARYLAND

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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

CLERK'S OFFICE  
AT GREENBELT

BY \_\_\_\_\_ DEPUTY

MILL POND ASSOCIATES  
LIMITED PARTNERSHIP,

*Plaintiff,*

v.

Civil Action No. PJM-98-1050

THE BANK OF NEW YORK,

*Defendant, and  
Third-Party Plaintiff,*

v.

RELIANCE INSURANCE COMPANY  
OF ILLINOIS; RELIANCE INSURANCE  
COMPANY; THE MUNICIPAL BOND  
INVESTORS ASSURANCE CORPORATION;  
ANNE ARUNDEL COUNTY, MARYLAND;  
and THE ARTERY GROUP LLC,

*Third-Party Defendants.*

### **STIPULATED ORDER OF DISMISSAL**

In complete and final resolution of this action, upon the request of Mill Pond Associates Limited Partnership and The Bank of New York, the only remaining parties hereto, it is hereby ORDERED as follows:

1. Upon entry of this order BNY may immediately draw upon irrevocable standby letter of credit no. 971186 (issued on January 21, 1999 by NationsBank N.A. (now Bank of America)) to its full extent of One Million Seven Hundred Forty Thousand Four Hundred Seventy

110

Six dollars (\$1,740,476.00). This drawing shall constitute payment by Mill Pond and its affiliates, not execution upon security, and BNY shall not report the drawing as an execution upon security.

2. Immediately upon BNY's receipt of the \$1,740,476.00, BNY shall send by ABA wire to Mill Pond, in accordance with wiring instructions Mill Pond shall provide to BNY, the sum of Four Hundred Seventy Three Thousand Six Hundred Thirty Four dollars (\$473,634.00) in immediately available funds, representing the remaining share of Mill Pond and its affiliates in the recoveries by BNY through settlements from Reliance Insurance Company of Illinois and Reliance Surety Company (collectively "the Reliance Insurers"). The remaining recoveries from the Reliance Insurers shall be retained by BNY.

3. Immediately upon Mill Pond's receipt of confirmation that the transactions in Paragraph 2 have occurred (i) Mill Pond shall, and shall cause its affiliates to, execute a release in the form attached as Exhibit A, (ii) BNY shall execute the release in the form attached as Exhibit B, and (iii) Mill Pond and BNY shall exchange such releases.

4. Immediately upon the completion of the transactions in Paragraph 3, Mill Pond and BNY shall, in accordance with the mutual releases described in Paragraph 3 above, cause the Maryland state court actions between Mill Pond's affiliates and BNY to be dismissed with prejudice and without assessment of fees or costs.

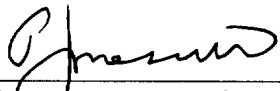
5. BNY shall not initiate any claim or action against Mill Pond and its affiliates or any other party to the transactions involved in the Maryland Litigation (as that term is defined in the attached releases) to obtain any additional legal fees incurred in this matter (except Developers Mortgage Corporation ("DMC") and its directors, officers and agents and any other parties subject to liability in the DMC bankruptcy proceedings). In particular, without limitation, BNY

shall not initiate any claim or action to obtain any additional legal fees incurred in this matter from Anne Arundel County, Maryland. In addition, upon Mill Pond's request, BNY shall execute and exchange mutual releases with Anne Arundel County, Maryland and any other party to the transactions involved in the Maryland Litigation (as that term is defined in the attached releases) willing to do so with respect to this matter (except DMC and its directors, officers and agents and any other parties subject to liability in the DMC bankruptcy proceedings).

6. The remaining claims and counterclaims in this action are DISMISSED WITH PREJUDICE. In accordance with provisions set forth above, neither Mill Pond nor BNY shall seek or obtain costs or additional attorneys' fees.

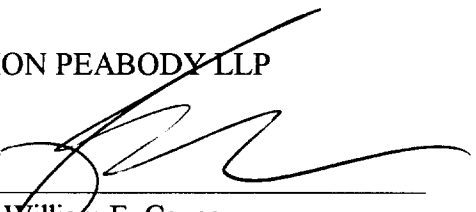
IT IS SO ORDERED.

Dated: October 6, 2000  
Greenbelt, MD

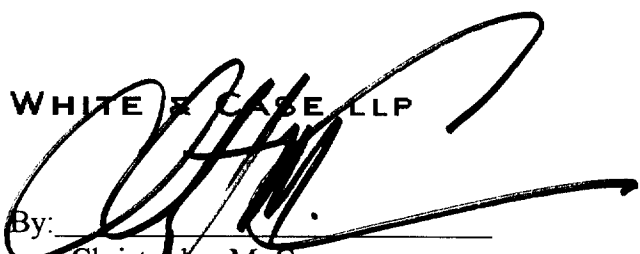
  
Hon. Peter J. Messitte  
United States District Judge

WE ASK FOR THIS:

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